


POLICY # 412	JPMC BANK PROCUREMENT CARD POLICY
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DELAWARE CHILDREN'S DEPARTMENT

JPMC BANK Procurement Card Policy

I. BACKGROUND

The State of Delaware has contracted with JPMorgan Chase (JPMC) BANK to provide state agencies with a VISA procurement card for purchases and business travel. This program is known as the Procurement Card (PCard) Program. The Fiscal Services unit can secure a JPMC BANK Procurement Card (to be known as "the Card" for the purposes of this policy) for designated employees based on operational job-related needs for (1) legitimate business related purchases and (2) business travel. The JPMC BANK Procurement Cards are issued to individuals.

II. PURPOSE

The purpose of this policy is to ensure responsible use of Procurement Cards and safeguarding of State resources. The procedures outlined within this policy detail the approval process for the use of the Card, ensure that every dollar spent is properly documented and detail how purchases with the Card will be monitored.

II. PROCEDURES

A. The Application Process

1. For initial card requests and credit limit changes:
 - a. Card application and credit limit change forms are available from DSCYF Fiscal Services. Employees requesting a new Card or credit limit change (PCard Change Request) must first obtain approval from their supervisor. Fiscal Services will work with the employee and supervisor to fill out the necessary information on the appropriate form prior to its submission to the employee's respective Division Director for approval.
 - b. After the original application form is completed and signed by the employee to whom the Card is to be issued, the application must also be approved and signed by the employee's Division Director and submitted to the Fiscal Services Division Card Coordinator for approval and processing.

B. Appropriate Use of the Card

1. The Card is to be used for State approved purchases only. The Card may not be used to purchase gift cards.
2. Obtain Advance Approval
 - a. Cardholders are to obtain advance approval via requisitions, travel requests, FACTS funding requests, or if the employee is a DFS caseworker with a client in transit via their

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supervisor *before initiating any purchase* on the Card. This documentation of approval is to be provided to Fiscal Services by the cardholder.

- b. If an unauthorized purchase is transacted with the Card, the employee is personally liable to reimburse the State for the full amount including any interest or penalty within 7 days of the unauthorized purchase. Unauthorized use can result in disciplinary action up to and including termination of employment in accordance with the State of Delaware Merit Rules and 29 Delaware Code, Section 6505(c)(1).

3. Travel Related Expenditures

- a. Travel expenditures are only to be made for approved business reasons and must conform to the DSCYF travel policy and to the requirements of the State of Delaware's Budget and Accounting Policy Manual, Chapter 11, Travel Policy which prohibits certain expenses. Employees must reimburse the State by check or money order for any non-allowable purchase(s).

4. Other Expenditures

- a. Monthly credit lines generally range between \$2,500 and \$5,000. The maximum single item purchase is limited to \$5,000. Higher limits can be set if a legitimate business need is demonstrated via a written request stipulating the business need signed by the employee and approved by the employee's Division Director. The request will then be forwarded to the Department Controller for review and approval/disapproval. Notice of the disposition will be sent to the employee, supervisor, and Division Director.

C. Securing the Card

1. Cardholders are to take reasonable and necessary protective measures to avoid any loss, theft or unauthorized use by others of the Card issued to them by safeguarding the card.

Safeguards include:

- a. Not allowing others to use or have access to the Card. The individual's card, card number, PIN, etc. is not to be shared with other individuals under any circumstances. The cardholder is not to give their card to another individual for them to make a purchase on their behalf. This does not preclude, however, a support staff person from using their own Card to make an airline reservation for another individual if requested to do so.
- b. Carrying the Card only when it is needed to conduct State business.
- c. Placing the Card in a safe and secure place when not in actual use, i.e. placing it in a locked location such as a desk, filing cabinet, safe, etc. If the cardholder does not have a place to secure their Super Card, it is their responsibility to advise their supervisor and it is the supervisor's responsibility to provide the means to secure the card.

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2. In the event that the cardholder does not properly secure their Card, and the card is lost, stolen or used by others, formal disciplinary actions may be taken against the cardholder. Additionally, depending upon the circumstances, the cardholder will be required to reimburse the State for the financial loss or losses incurred.

D. Necessary Documentation During and After Use

1. **For travel**, a purchase log with itemized receipts attached is due to Fiscal Services within 7 workdays of returning from each business trip. Any expenses on a card that are not supported by itemized receipts are prohibited. Cardholders must request itemized receipts prior to using the card for purchases. If receipts are lost, the cardholder must obtain a copy from the vendor. If itemized receipts cannot be obtained, the cardholder must complete a Missing Receipt Affidavit (Form AP005), have it signed by their supervisor and Division Director, and submit it to Fiscal Services within 14 workdays of returning from their trip. The cardholder is required to provide a detailed explanation as to why an itemized receipt is not available. Fiscal Services will submit the affidavit within 30 days of the transaction to the Office of Management and Budget and the Division of Accounting for final approval.
 - Allowable non-Card items paid out of pocket are to be submitted for reimbursement separately with itemized receipts/documentation on a Personal Reimbursement Expense form (PE-1). Personal reimbursement expenses are subject to the same itemized receipt and missing receipts affidavit requirements as applied to card purchases.
 - In the event that OMB/DOA does not approve a missing receipt affidavit, the cardholder will be required to reimburse the Department by check. Employees submitting personal reimbursement expense forms will not be reimbursed for items that do not have itemized receipts or affidavits approved by OMB/DOA.
2. **For other purchases**, the cardholder must maintain a purchase log, documentation of approved requisitions, itemized receipts, etc. for their Card and submit the log with accompanying receipts/documentation to Fiscal Services within 7 days after the date on which the purchases were made. Note that the cardholder is responsible for ensuring that itemized receipts/documentation are obtained and maintained for their purchases. Any expenses on a Card that are not supported by itemized receipts are prohibited. Cardholders must request itemized receipts prior to using the card for purchases. If receipts are lost, the cardholder must obtain a copy from the vendor. If itemized receipts cannot be obtained, the cardholder must complete a Missing Receipt Affidavit (form AP005), have it signed by their supervisor and Division Director, and submit it to Fiscal Services within 14 workdays of the purchase. The cardholder is required to provide a detailed explanation as to why an itemized receipt is not available. Fiscal Services will submit the affidavit within 30 days of the transaction to the Office of Management and Budget and the Division of Accounting for final approval.
 - Allowable non-Card items paid out of pocket are to be submitted for reimbursement separately with itemized receipts/documentation on a Personal Reimbursement Expense form (PE-1). Personal reimbursement expenses are subject to the same itemized receipt and missing receipts affidavit requirements as applied to Card purchases.

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- In the event that OMB/DOA does not approve a missing receipt affidavit, the cardholder will be required to reimburse the Department by check. Employees submitting personal reimbursement expense forms will not be reimbursed for items that do not have itemized receipts or affidavits approved by OMB/DOA.

3. Failure to Submit Timely/Complete Documentation will result in the following actions:

- After the third occurrence of submitting an affidavit within a fiscal year, Fiscal Services will recommend to the cardholder's Division Director that the employee's P-Card be suspended for a period up to three months. At the end of the suspension period, the employee's card will be reinstated at the request of their Division Director.
- If, after this initial three month suspension, the cardholder again fails to submit appropriate itemized receipts and/or required documentation, Fiscal Services will recommend to the employee's Division Director that the employee lose the privilege of having a P-Card for one year.
- If there is a job related need for purchases to be made on behalf of the cardholder while a card is inactivated or cancelled, the cardholder's supervisor will be responsible for making the purchases on their Card and providing the logs/receipts as required.

E. Summary of Responsibilities

1. The DSCYF Fiscal Services unit is responsible for:

- Presenting a copy of this policy and Chapter 12 of the State of Delaware's Budget and Accounting Manual on use of the Card and Cardholder responsibilities to each cardholder and reviewing both DSCYF's and the State's requirements for use of the card.
- Completing and forwarding necessary paperwork to secure or terminate cards as well as additions/deletions/changes to existing Cards to the Division of Accounting (designated Fiscal Services Credit Card Coordinator responsibility).
- Reconciling monthly billings against the individual cardholder log before processing them in the State accounting system for payment (designated Fiscal Services Credit Card Reconciler responsibility).
- Encouraging proper and timely submission of cardholder logs to Fiscal Services within 7 days of purchases and/or from the date of return from travel and promptly reporting problems to the appropriate Fiscal Services Senior Fiscal Administrative Officer (designated Fiscal Services Credit Card Reconciler responsibility).
- Handling disputed billings (designated Fiscal Services Credit Card Coordinator responsibility).
- Receiving and placing final approval on Card applications (designated Fiscal Services Credit Card Coordinator responsibility).
- Reviewing Cardholder profiles and credit limits on a quarterly basis (designated Fiscal Services Credit Card Coordinator responsibility)..
- Serving as the liaison between the Division of Accounting and the Department (designated Fiscal Services Administrative Officer responsibility)
- Reconcile and approve the daily transactions in the State's financial management system against the Cardholder receipts, within 30 days of each billing date (designated Fiscal

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Services Credit Card Reconciler responsibility). The Fiscal Services Credit Card Reconciler will notify their respective Senior Fiscal Administrative Officer should it be the case they have not received all required logs/documentation, or have received incomplete documentation, for purchases listed on statements. The Senior Fiscal Officer, or their designee, will contact the employee's supervisor concerning the immediate need to submit missing and/or required documentation so that the statement can be reconciled in a timely manner.

2. The Cardholder is responsible for:

- a. Participating in training by a Fiscal Services staff person on this policy and the form/procedures contained therein. Cardholders should read this policy carefully and keep it at hand to ensure that proper procedures are followed.
- b. **Complying with this policy as well as the State of Delaware Budget and Accounting Policy Manual requirements concerning Cardholder responsibilities. State of Delaware requirements concerning Cardholder Responsibilities can be found in Chapter 12 of the Budget and Accounting Policy Manual (sections 12.3.1, 12.4.1, 12.5.1, 12.6.1, 12.6.3, and 12.6.4).**
- c. Using the Card only for legitimate State business/purchases.
- d. Maintaining and submitting required documentation of Card use.
- e. Signing and forwarding the purchase log, purchase documentation and itemized receipts to the Division's Fiscal Services Reconciler within 7 days after the date on which the purchases were made or within 7 days of return from travel. In the case of Fiscal Services or Terry Center cardholders, in order to maintain segregation of duties, those cardholders will forward the logs directly to the Fiscal Services Reconciler. Fiscal Services/Terry Center cardholders cannot make payments on their own card. All Card payments will be processed by the designated Fiscal Services Reconcilers assigned to each division.
- f. Reporting a lost or stolen card by immediately calling - 1-800-270-7760 (JPMORGAN Customer Service), and notifying their designated Fiscal Services Credit Card Coordinator.